

25X1X7 ~~SECRET CONTROL~~

## CENTRAL INTELLIGENCE GROUP

~~INTELLIGENCE REPORT~~

COUNTRY China

DATE: 25X1A6a

INFO. [REDACTED]

SUBJECT Economic Information: Soviets and Chinese  
Communists, Kuantung Peninsula

DIST. 22 October 1947

25X1A6a

PAGES 2

ORIGIN [REDACTED]

SUPPLEMENT

25X1X6

25X1X6

1. Nearly all Chinese shops and factories in Dairen are closed and Chinese-owned and-operated business activity is practically nil.
2. The Soviet administration, however, is extremely active. In both Dairen and Port Arthur much military construction is under way. Practically every Soviet ship from Vladivostok brings some cement, iron and steel, and bricks and other building necessities.
3. Port facilities of Port Arthur and smaller bays nearby are being enlarged and modernized.  
25X1A6a  
[REDACTED] the Port Arthur military fortress is now being rebuilt on a large scale by the Soviets).  
25X1X6  
[REDACTED]
4. There is no evidence that industrial or transportation equipment was being moved from Dairen.
5. Locomotives, cars and other railway equipment have been maintained in good order.
6. One of the major imports into Dairen is food, quantities of which are brought by junk mostly from Chefoo. Liberty ships are also engaged in the transport of food.
7. On 5 July it was observed that two small freighters were leaving the harbor and three vessels about the size of Liberty ships were alongside the wharves. One of these was discharging kaoliang. The other landed about 500 tons of soybean flour which had been loaded at Vladivostok.
8. In Dairen there is a considerable amount of American PX goods, apparently from South Korea. Prices are reported to be remarkably low: cigarettes are 25¢ a package and Life-savers only 3¢ a package. (Prices are quoted in US equivalent by source).

~~CONFIDENTIAL~~

25X1X7

CLASSIFICATION

~~SECRET CONTROL~~

Document No. 002

NO CHANGE in Class. ☐ 20☐ DECLASSIFIED

Class. CHANGE TO: TS S (C)

DDA Memo, Apr 77

Auth: DDA REG. 77/1/1

Date: 27 Apr 78 Sanitized - Approved For Release : CIA-RDP82-00457R001000300002-9

REFERENCE CENTER LIBRARY

25X1X7 ~~SECRET CONTROL~~

CENTRAL INTELLIGENCE GROUP

-2-

25X1X6

9. The volume of exports from Dairen is small, consisting mostly of Japanese silks (pre-war stocks?) and other luxury goods and salt.

25X1X6

10. A Chinese businessman named HO, who owns a steel-pipe business in Dairen, left Dairen on 6 July 1947 on board the Ilich. HO was enroute to Formosa for the purpose of bartering pipe for cotton goods. HO had left Dairen with the permission of the Chinese Communist authorities, and he had a safe-conduct certificate from the Formosa Provincial Government.

25X1X6

~~This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 U.S.C. 31 and 32 as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.~~

25X1X7

~~SECRET CONTROL~~

-2-